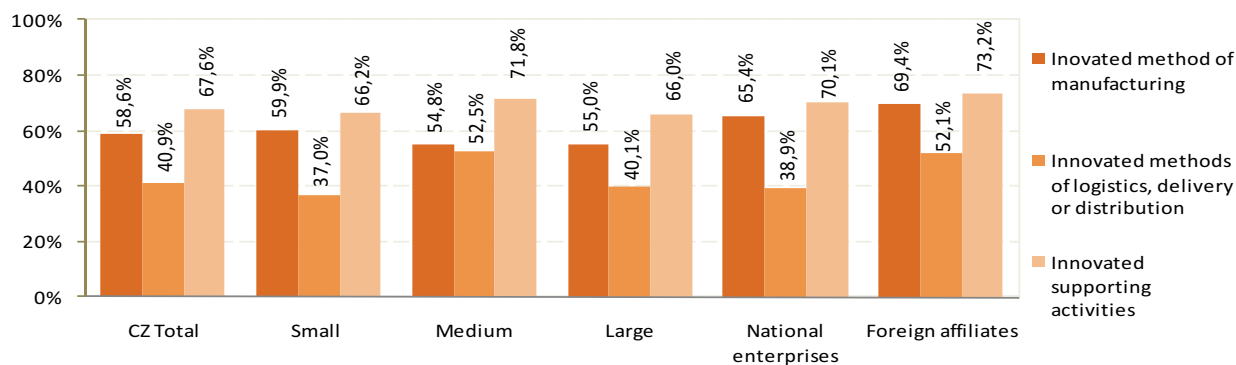


## 2.2.2 Process innovation

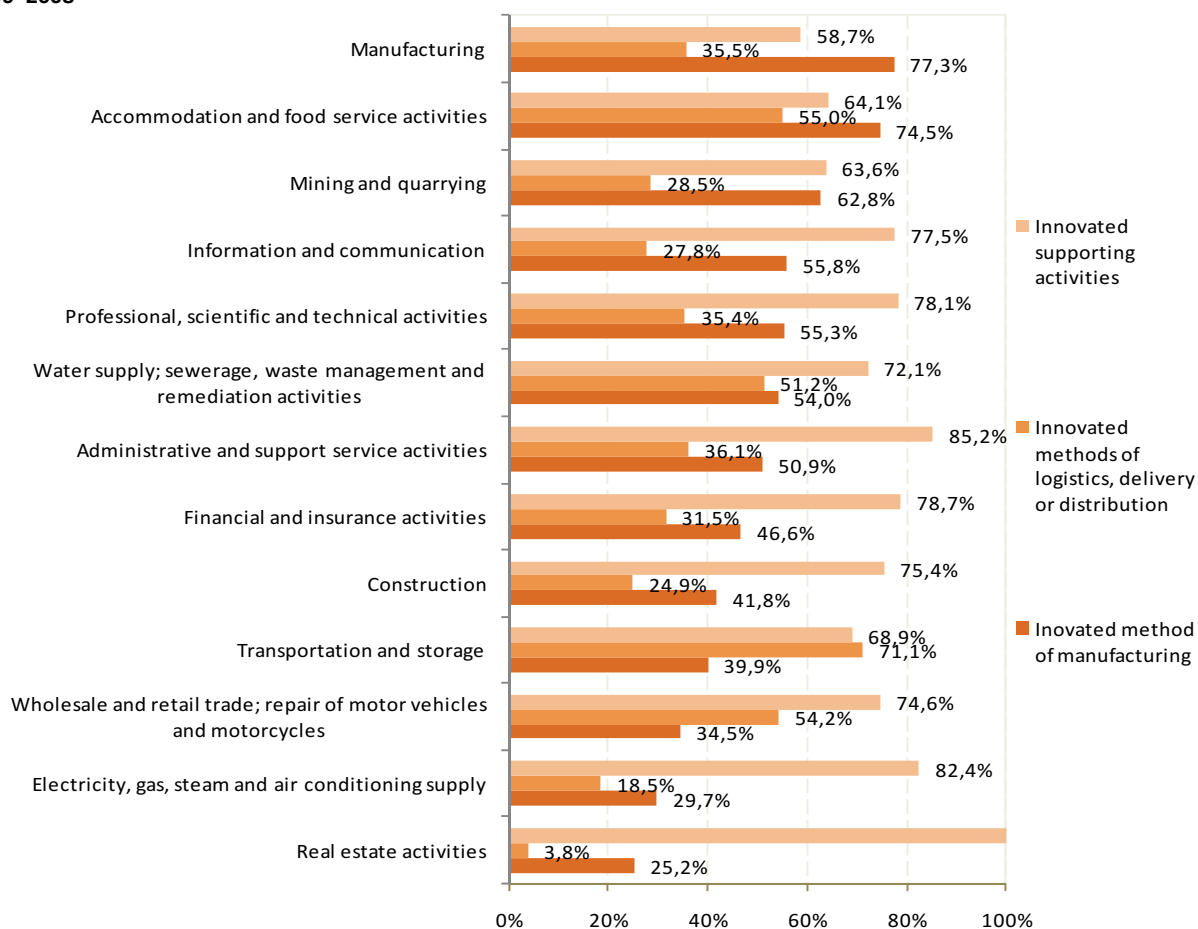
In the period of 2006–2008, enterprises in the Czech Republic innovated especially supporting activities within process innovation (67.6 % of enterprises with process innovation). 58.6 % of enterprises with process innovation innovated production methods and 40.9 % innovated methods of logistics, delivery and distribution. Small enterprises (59.9 %) innovated product methods more than large or medium-sized enterprises, and the same rule applies to foreign affiliates, where production methods were innovated by 69.4 % of enterprises with process innovation.

**Figure 2.19: Breakdown of process innovation by type, size-class and ownership (as a percentage of enterprises with process innovation); 2006–2008**



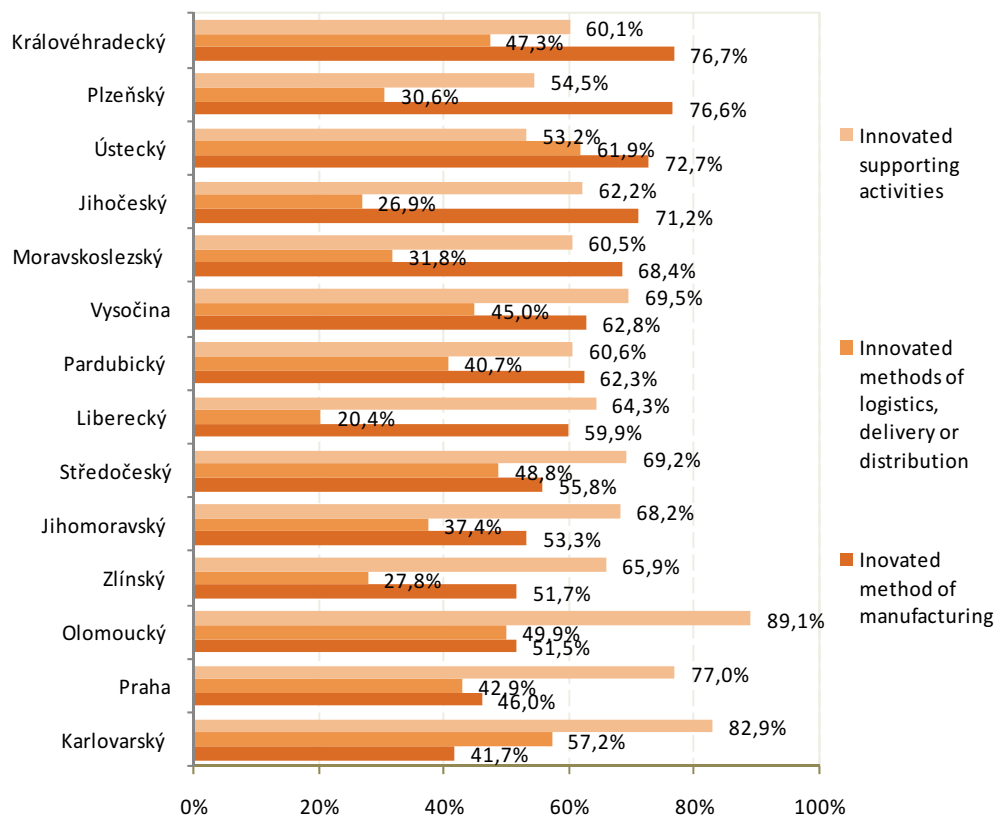
The largest proportion of enterprises innovating production methods was found among enterprises that implemented process innovation in “manufacturing” (77.3 %). “Transportation and storage” revealed the biggest share of innovation in methods of logistics, delivery and distribution (71.1 %). Innovation in supportive activities was most frequent among enterprises in the sectors of “administrative and support service activities” (85.2 %) and “electricity, gas, steam and air conditioning supply” (82.4 %), when we do not take “real estate activities” into account (see Figure 2.20).

**Figure 2.20: Breakdown of process innovation by type and NACE (as a percentage of enterprises with process innovation); 2006–2008**



The largest proportion of enterprises with innovation of production methods was found in the Královéhradecký region (76.7%), the smallest proportions were found in the Karlovarský region (41.7%) and in Praha (46%). The Ústecký region had the biggest share of enterprises with innovation of methods of logistics, delivery and distribution (61.9%) and the Olomoucký region had the biggest share of enterprises that innovated supportive activities (89.1%).

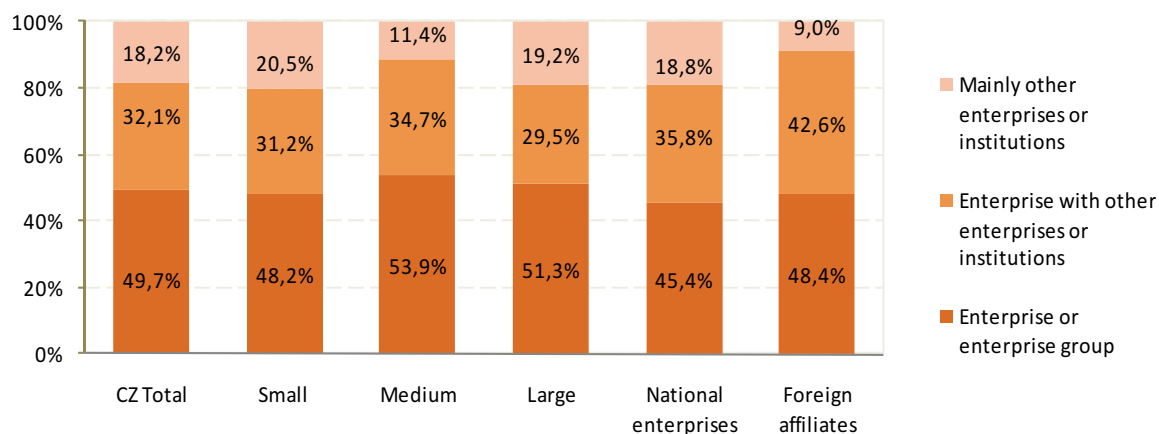
**Figure 2.21: Breakdown of process innovation by type and region (as a percentage of enterprises with process innovation); 2006–2008**



Almost half of the enterprises developed process innovation within their own enterprise or group. More specifically, the proportion was 49.7% in the whole of the Czech Republic. 32.1% of enterprises cooperated on the development of process innovation with another enterprise or institution, while 18.2% of enterprises left the development of process innovation entirely to other enterprises or institutions.

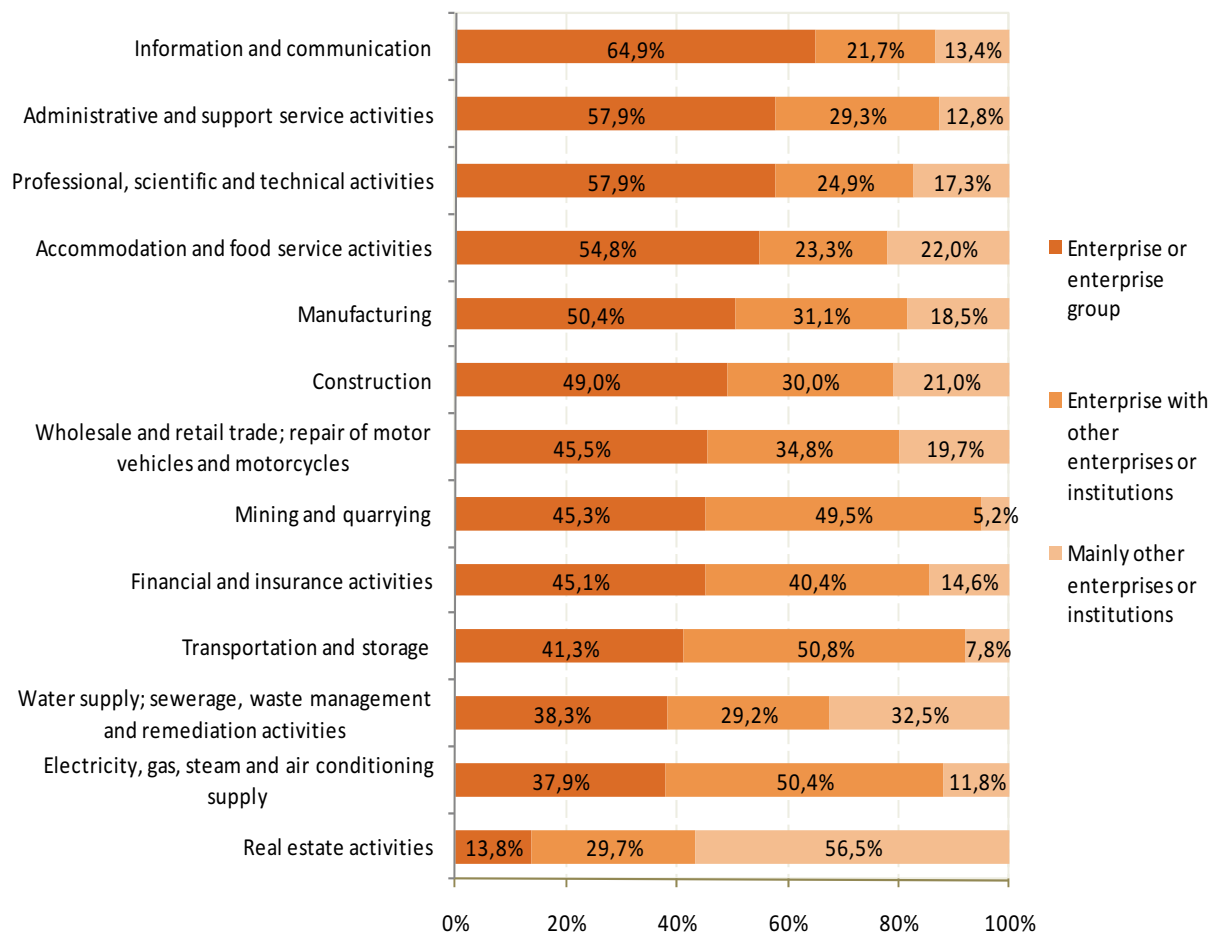
It was more common for national enterprises to have process innovation developed outside their own enterprise or group (18.8%) than it was for foreign affiliates (9%).

**Figure 2.22: Breakdown of process innovation by developer, class-size and ownership (as a percentage of enterprises with process innovation); 2006–2008**



Enterprises in “information and communication” reached the highest proportion of the development of process innovation within the enterprise or group (64.9 %), followed by “administrative and supportive activities” (57.9 %). The development of process innovation together with another enterprise or group prevailed in the sectors of “transportation and storage” (50.8 %) and “electricity, gas, steam and air conditioning supply” (50.4 %). Large shares were also found in “mining and quarrying” (49.5 %) and “financial and insurance activities” (40.4 %). The largest proportions of enterprises that had the process innovation developed by another enterprise or institution were in the sectors of “real estate activities” (56.5 %) and “water supply, sewerage, waste management and remediation activities” (32.5 %). The sector of “mining and quarrying” showed the smallest proportion of enterprises that had their process innovation developed by another enterprise or institution (5.2 %).

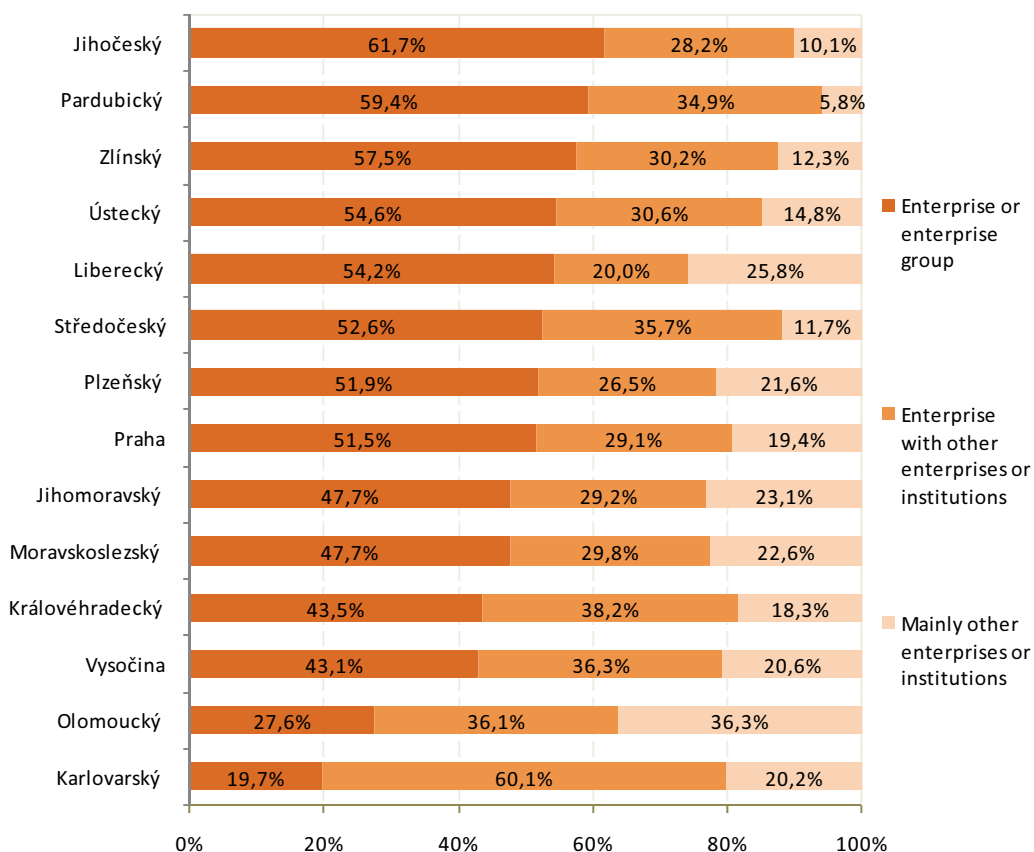
**Figure 2.23: Breakdown of process innovation by developer and NACE (as a percentage of enterprises with process innovation); 2006–2008**



The shares of enterprises that developed process innovation within their own enterprise or group reached the highest numbers in the Jihočeský region (61.7 %) and the Pardubický region (59.4 %). The smallest numbers were recorded in the Karlovarský region (only 19.7 %) and the Olomoucký region (27.6 %). Enterprises in the Karlovarský region cooperated on the development of process innovation with other enterprises or institutions with the proportion of 60.1 %, which is the highest in this category. In the category of enterprises whose process innovation development was carried out by another enterprise or institution, the largest shares were recorded especially in the Olomoucký region (36.3 %) and the Liberecký region (25.8 %), whereas the smallest shares were recorded in the Pardubický region (5.8 %) and the Jihočeský region (10.1 %). Praha stands in the ‘middle’ on the scale of regions with the share of 51.5 % of enterprises that innovated within their own enterprise or group.

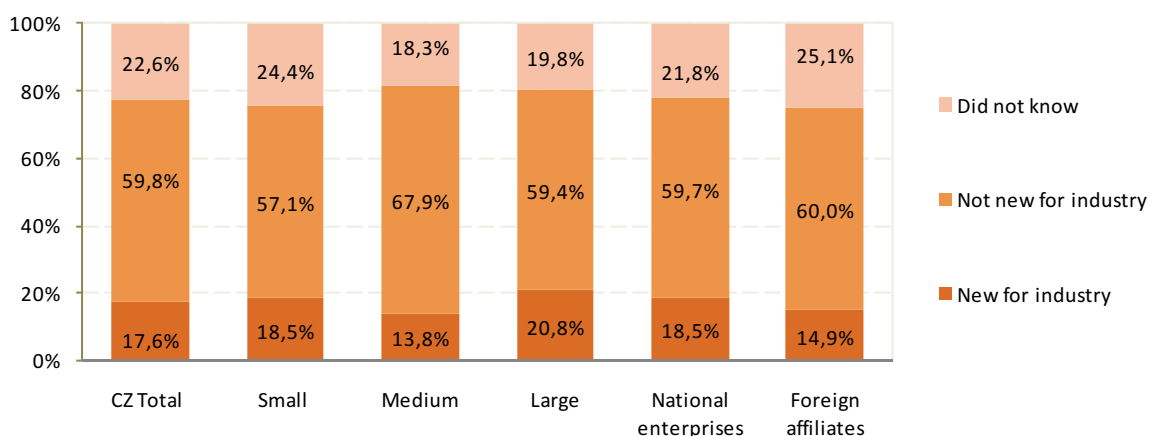
The breakdown of process innovation by regions in the Czech Republic can be seen in the figure on the next page.

**Figure 2.24: Breakdown of process innovation by developer and region (as a percentage of enterprises with process innovation); 2006–2008**



Of all enterprises that introduced process innovation, 17.6 % considered the process innovation as a novel innovation within their industry, for 59.8 % it was not new and 22.6 % answered that they did not know. In terms of size-class, large enterprises considered their innovations as novel with the proportion of 20.8 % within their sector.

**Figure 2.25: Breakdown of process innovation by the novelty for industry, size-class and ownership (as a percentage of enterprises with process innovation); 2006–2008**



As far as different industries are concerned, there were most novel process innovators in “accommodation and food service activities” (33.2 %), followed by “electricity, gas, steam and air conditioning supply” (25.2 %). In “manufacturing”, exactly 19 % of enterprises marked their process innovation as a novel one.

Much larger percentages of enterprises did not consider the process innovation as a new one, mainly in “water supply, sewerage, waste management and remediation activities” (78.4%), “mining and quarrying” (78.3%) and “construction” (70.3%).

The highest percentage of enterprises that were unable to judge the novelty of the process innovation was found in the sectors of “administrative and supportive activities” (34.3%) and “transportation and storage” (31.9%).

**Figure 2.26: Breakdown of process innovation by the novelty for industry and NACE (as a percentage of enterprises with process innovation); 2006–2008**

